



2000 Ogden Avenue, Aurora, IL 60504

November 2, 2017

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
Second Floor  
525 West Jefferson  
Springfield, Illinois 62702-5051

Re: IHFSRB Project #14-028

Dear Ms. Avery:

This letter constitutes an Annual Progress Report on the above-referenced project, which was granted a CON permit at the October 7, 2014, meeting of the Illinois Health Facilities and Services Review Board. You may recall that this permit is to expand and modernize several departments at Copley Memorial Hospital.

The permit was approved with project costs of \$52,725,760. The sources of funds are \$16,225,760 in cash and securities a \$36,500,000 line of credit, as reported in the alteration which was acknowledged by your agency on April 27, 2015.

1. The current status of the project is as follows.
  - a. The project was obligated on May 11, 2015.
  - b. 59% of the project is finished, based upon project expenditures as of October 1, 2017.
  - c. The following components of the project have been completed.
    - All of the construction components of the new construction portion of the project are complete and just awaiting completion of the punch list.
    - The request for the IDPH Occupancy Inspection (Life Safety Survey) for last phase of the new construction portion of the project was submitted on 10/24/17 and earlier phases of new construction have been approved for occupancy.

- d. The following components of the project are not yet finished.
- The modernization and expansion of the existing surgical suite and other clinical and non-clinical service areas that are part of the modernization portion of the project are in progress, but are not yet complete.
- e. There are no changes in the scope of the project and its size from the permit as granted. The only change in the project is the alteration in the source of debt financing that is referenced earlier in this Annual Project report, which was acknowledged by the Illinois Health Facilities and Services Review Board on April 27, 2015, in a letter to Barry Finn, the hospital President, which stated that no State Board approval was required.
2. The costs incurred to date as of October 1, 2017 are \$31,225,471.
- I am enclosing an itemized listing of the incurred project costs as of that date and a comparison of those costs to the approved permit amounts.
3. The method of financing the project and the source of funds are cash and securities and the line of credit, as referenced earlier in this Annual Project report, which was acknowledged by the Illinois Health Facilities and Services Review Board on April 27, 2015.
4. We estimate project completion by December 31, 2018, as specified in our CON application.

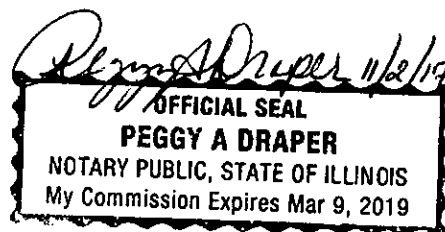
Please feel free to contact Andrea Rozran of Diversified Health Resources (312/266-0466) if you have any questions.

Sincerely,



Barry C. Finn  
President & CEO

Enclosures



**COPLEY MEMORIAL HOSPITAL**

**IHFSRB PROJECT #14-028**

**TOTAL COSTS INCURRED AND SOURCES OF FUNDS AS OF October 1, 2017**

<b>PROJECT COSTS</b>	<b>TOTAL PROJECT COSTS INCURRED</b>	<b>APPROVED TOTAL COSTS PER CON PERMIT</b>
Preplanning Costs	\$ 211,939	\$263,000
Site Survey and Soil Investigation	\$ 30,000	\$45,000
Site Preparation	\$ 580,088	\$649,020
Off Site Work	\$ 1,284,427	\$1,433,604
New Construction Contracts	\$ 19,433,879	\$21,016,012
Modernization Contracts	\$ 2,266,291	\$6,359,207
Contingencies	\$ 1,221,086	\$2,735,927
Architectural/Engineering Fees	\$ 2,173,005	\$2,308,505
Consulting and Other Fees	\$ 1,143,285	\$1,489,876
Movable or Other Equipment (not in construction contracts)	\$ 2,387,759	\$8,244,464
Bond Issuance Expense (project related)	\$ -	\$890,700
Net Interest Expense During Construction (project related)	\$ 443,848	\$7,140,445
Fair Market Value of Leased Space or Equipment	\$ -	\$0
Other Costs to be Capitalized	\$ 49,864	\$150,000
Acquisition of Building or Other Property (excluding land)	\$ -	\$0
<b>ESTIMATED TOTAL PROJECT COST</b>	<b>\$ 31,225,471</b>	<b>\$ 52,725,760</b>

<b>SOURCE OF FUNDS</b>	<b>TOTAL CURRENT ESTIMATED PROJECT COSTS</b>	<b>APPROVED TOTAL COSTS PER CON PERMIT</b>
Cash and Securities	\$ 499,820	\$16,225,760
Pledges	\$0	\$0
Gifts and Bequests	\$0	\$0
Bond Issues (project related)	\$0	\$0
Mortgages (loans)	\$0	\$0
Leases (fair market value)	\$0	\$0
Governmental Appropriations	\$0	\$0
Grants	\$0	\$0
Other Funds and Sources-Line of Credit from Commercial Bank	\$ 30,725,651	\$ 36,500,000
<b>TOTAL FUNDS</b>	<b>\$ 31,225,471</b>	<b>\$ 52,725,760</b>

Note: The amount of cash used as a source of funding for project expenses will vary during the course of the project, as a number of invoices are initially paid with cash prior to drawing down funds from the line of credit.